

PERSpectives

First Quarter 2001

Public Employee Retirement System of Idaho

A Message from Retirement Board Chairman, Jody B. Olson

Retirees offer thanks for Gain Sharing



Retirement Board Chairman, Jody B. Olson, with some of the many Gain Sharing thank you notes PERSI has received from retirees.

about the financial aspects of retirement. Few seem to come close to matching up to PERSI." Sharon Ireton

"A big thank you for handling our retirement money so efficiently! I've enjoyed buying some long put-off items and am having a blast. Thank you so much for a much welcomed windfall." Dixie Thomas

"Dear PERSI: How great thou art! You have always cared for us and fared for us so well! What joy the gift of a second check has given me this dismal, over-robbed month of pay-outs, illness and other financial problems. God bless you for all the great thoughtful things you have done on my behalf. You are the best!" Ruth McPherson

"Just wanted to thank you for the money you sent. When I got your letter telling me it was no mistake I couldn't believe that a company would share their profits with everyone. Thank you so much - you're the kind of company I'd like to have worked for - honest, kind and considerate." Mrs. Mrytle Bren

"I want to thank you so much for the check I received. It sure did help a lot to pay my bills after Christmas. Thanks a million." Pauline E. Myers

PERSI's retirees are a wonderful bunch of people. We have received countless letters, phone calls and e-mails from retirees thanking us for their Gain Sharing 13th Checks. Rarely would so many people take the time to impart such kind words to a public institution. The thanks and comments we've received are greatly appreciated and reaffirm our belief that Idaho's retirees are the best anywhere.

Here are comments from just a few of the many kind notes we've received:

"We wish to thank you for the 13th check. It isn't often that you receive such a nice gift. I assure you that it is deeply appreciated

with a glad heart. In fact, we are overwhelmed." Mr. & Mrs. Lund E. Christensen

"I have received my "Thirteenth Check" and wish to express my deepest gratitude. 'Bonuses' were certainly not something I received during my teaching career (nor cost-of-living hikes). This tends to make me feel both privileged and appreciated, feelings that do not normally come with retirement. You are doing an outstanding job with the PERSI system. It appears to be one of the best-funded retirement systems around, thanks to your innovative and hard work. My home is in the midst of a popular area for retirement, from all walks of life, thus I hear many conversations

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Retiree stays on top of PERSI benefits

by Maxine Thomas,
PERSI Training Specialist

This interview is with a gentleman who, as a senior citizen, is more active than most people half his age! I got to know Charlie Brown because he attends every PERSI Board meeting. That got my attention. He really cares about improving the benefits that affect retirees.

He is retired from the Idaho Department of Education where he served as Supervisor of Food Services and was the Retired Educators Association of Idaho President from 1997-1999. He holds a Bachelor of Science in Business Accounting and Education and two Masters degrees; one in Administration and Guidance and one as an Administrative Specialist.

Where did you grow up?

I was born in Richfield, Idaho. In second grade lightning killed my dad. He was a farmer and he was out in the field irrigating with a shovel over his shoulder. My mom, two sisters and I went to live with my grandparents in Emmett from 1942-1947 and moved to Shoshone where I graduated from high school in 1951. I am going to my 50-year class reunion in July.

You've been a teacher, principal, superintendent and administrator. Which was best?

I really liked teaching. It came down to the fact that you can't afford to be a teacher. You have to move up the chain to have a salary that is decent if you want to make a living in reality. The salaries are still too low. When graduates come out of college today they can go into accounting or law



Charlie Brown

and make \$ 40,000 - \$50,000 a year instead of the \$22,000 a year that beginning teachers make.

Tell us about your family.

Juanita and I have been married 30 years, and we have seven kids and 24 grand children. My oldest grandson has been on a mission while others are in school and starting college. There should be an organization available, similar to Americor, that enables all young adults to perform service for two years for others locally or around the United States or in third world countries before going on to higher education. Society is so greed oriented, that the family structure is not there for their children.

Do you have any hobbies?

I don't have a real hobby other than I try to golf three times a week. I play trumpet in two bands: the El Kora Shrine band and the Caldwell Community Band summer concerts in Caldwell Park.

Why do you go to the PERSI Board meetings?

I am the president-elect for the Retired Educators Association. Jim Coleman and I come to the meetings

together. Jim and I are both on the Public Employees Retirement Coalition (PERC) committee. We feel that it is good to stay updated. Bob Maynard's involvement in directing the funds for the last eight years has been a fortunate happenstance. His guidance has certainly been a boon to the PERSI fund for retirees.

What challenges do you see for PERSI in the future?

The biggest challenge is this market. Technology is still going to have a rebound cycle. The opportunity is for it to go up. The Stock market has had a 7 % gain over its history long term. The reserves that are in place with the standard deviation relative to the total fund are a safe guard against the volatility of the market. The way they have indexed the fund has paid off and when the small caps weren't doing well the large caps were. Now it is reversed. As long as the fund manager doesn't change style and sticks with it we will do all right. We are in the market for the long term, not in and out in the short term.

Are there any benefits you would like to see added?

The only thing I would like to see changed would be the cap on the sick leave when retiring as State employees don't receive what they earned. This would have to be a legislative issue. The purchase of medical insurance is important to retirees. The extension of that benefit to carry over when retiring early into the state plan would be helpful. Some school districts do extend the sick leave but others only allow you to take so many hours.

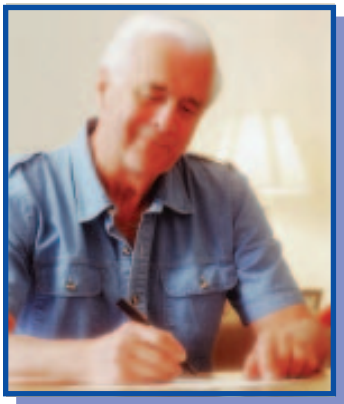
Continued - see "Retiree" on page 4

Letters continued from page 1

"A big thank you for the 13th check. For sure it is appreciated. We appreciate the work you do." Victor and Mary Barfuss

"Thank you for the extra hours and hard work that all the PERSI staff put into making gain sharing a reality. For us, it helped replace some much needed living room furniture. This was fun for us; the receivers." Bob and Janice Stone

"I thank you for the bonus check I received made possible by your successful investment strategies. As energy costs are increasing presently, I appreciate having an unexpected financial cushion. I confess I felt quite jolly to receive it." Patricia J. Murphy



"Thank you for your efficient handling of our retirement funds. I am thankful to be living in Idaho where I can count on the integrity of my fellow citizens." Lotte K. Franklin

"I want you to know I am very grateful for the check that helped me pay off my high heating bill for the winter." Elizabeth Joy Huskinson

"This is just a 'note-of-thanks' for the 13th deposit. The deposit was fairly small and may not mean much to the majority, but when you're on a very limited income, it seems like a 'windfall.' As I wrote that last word, I tried to understand its meaning. It must have come from the logging industry. When the wind would fall (blow over) a tree, then they would be spared the work to cut it down. In other words, laborless monies in the pocket." Richard J. Dodge

"To the PERSI staff who made this gain sharing possible! What a happy surprise! Now I can put new carpet on my floor. Thank you, thank you, thank you." Marjory B. Fullmer



2001 legislation affecting PERSI

This year, legislative changes relating to PERSI were minor. Here is the new legislation:

Technical Corrections H0041

www3.state.id.us/oasis/H0041.html

This is a collection of four minor statute corrections:

1. Clarify when erroneous employee contributions may be refunded.
2. Remove the statutory limit (less than \$20) for commutation of benefits, and replace it with Board authority to set the limit by rule.
3. Clarify the scope of In-Service Disability Retirement so that the "hired on or after July 1, 1993" limitation applies only to firefighters.
4. Correct an erroneous statutory reference in Idaho Code 59-139 from 72-1445 to 72-1444.

Voluntary Contributions to Choice Plan for All PERSI Members

H0038 www3.state.id.us/oasis/H0038.html

This allows all active PERSI members to make voluntary contributions to the PERSI 401k Choice Plan. Previously, only members who were eligible for Gain Sharing were eligible to make such contributions.

Spousal Access to Information

H0039 www3.state.id.us/oasis/H0039.html

This allows PERSI to release certain kinds of information regarding a member's account to spouses and/or ex-spouses in cases of divorce. In a divorce situation or other circumstances, certain information from a members record is required by the spouse to determine their community property interest in the member's benefit.



COLAs began in March

All PERSI retirees received a full discretionary Cost of Living Allowance (COLA) of 3.4% beginning March 1, 2001.

You will continue receiving annual COLAs even in years, like this year, when you also received a Gain Sharing 13th Check.

With this year's full COLA, 100% of PERSI retirees continue to have 100% purchasing power. This is the 11th straight year that PERSI has granted the maximum COLA.

The 3.4% discretionary COLA equals the increase in the Consumer Price Index (CPI) for the year (August to August). By law, PERSI's COLA cannot exceed the CPI or 6%, whichever is less. ◆

Retiree *continued from page 2*

Who would you like to sit down and have dinner with the most?

President Clinton. I have a lot of questions for him.

What achievements are you most proud of?


I was head of the school lunch program and got many districts to participate in the Breakfast Program. Started in 1975, this was a real help to students who didn't get breakfast at home. A student can't learn on an empty stomach.

I belong to the Lion's club. I am the chairman of a fund raising program, Casino Entertainment. We have 16 tables, including a Roulette table and do about 25 events a year. In March we do Casino Entertainment for "Puttin' on the Ritz" for the Children's Home fund raiser. ◆

PERSppectives goes quarterly

Your PERSI newsletter will now be published quarterly. Look for it in your mail every April, July, October and January.

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**PERSppectives**

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